

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Date: 4/22/2014

GAIN Report Number: RS1426

Russian Federation

Post: Moscow

Russian Agricultural Policy and Situation Bi-Weekly Update - 8

Report Categories:

Agriculture in the News

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Report Highlights:

Russian Government appoints new head of Rospotrebnadzor...The Russian Government also approves additional support to milk producers...Caspian Sea countries meet to discuss the conservation of biological resources...Russian grain stocks are up 8 percent from this time last year...Pork prices continue to rise...The EU files a WTO complaint against Russian pork restrictions...and Belarus restricts some Latvian pork

General Information:

Welcome to the Russian Agricultural Policy and Situation Bi-Weekly Update, a summary of issues of interest to the U. S. agricultural community. The report includes information that has been garnered during travel within Russia, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included and summarized in this report. Significant issues will be expanded upon in subsequent reports from this office. Minor grammatical changes have been made for clarification.

DISCLAIMER: Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. government agency's point of view or official policy.

Russian Government Appoints Anna Popova as the New Head of the Federal Surveillance Service on Consumer Rights Protection and Human Well-Being (Rospotrebnadzor)

The Russian Government has appointed Anna Popova as the new head of Rospotrebnadzor. She has been Acting Head of Rospotrebnadzor since October 2013, immediately after Gennadiy Onishchenko's resignation. Reportedly, since 2011 Ms. Popova served as a Deputy to Mr. Onishchenko. Earlier in her professional career, Anna Popova worked as epidemiologist in sanitary-epidemiology station in Budennovsk, Stavropol kray, chief sanitary doctor in Serpukhov and Pushchino, Moscow oblast, deputy head of the office of Rospotrebnadzor of Moscow oblast, and Staff management and education office in Rospotrebnadzor in Moscow. Ms. Popova has a PhD in medical science.

<http://government.ru/media/files/41d4d19d18559fe4d429.pdf>

The Russian Government Approves Resolution # 256, Providing Additional Support to Milk Producers

On April 2nd, 2014 the Russian government approved Resolution # 256, providing additional support to milk agricultural producers. The Resolution "On Amending Resolution of the Government dated December 28, 2012 № 1460 "On approval regulation and procedures for distribution of subsidies from the federal budget of the Russian Federation for reimbursement of the cost of interest rates on loans received from Russian credit institutions and loans received from agricultural credit cooperatives" was developed by the Russian Ministry of Agriculture.

The main objective of the current Resolution is to implement additional support to milk producers, increase the investments in the dairy sector and attract investors.

The Resolution calls for an increase in terms of subsidizing investment loans aimed at development of dairy farming up to 15 years (compared to 8 previously). The federal budget will compensate the costs of interest on such loans in the amount of 100 percent of the refinancing rate of the Bank of Russia and the regional budget will cover 3 percentage points above refinancing of the Bank of Russia. Previously, only beef cattle producers were able to obtain subsidies for loans with terms up to 15 years with a 100 percent compensation of the cost of interest rate. With respect to other areas of agriculture, since 2013 the federal budget provides compensation of 2/3 of the refinancing rate of the Bank of Russia on investment loans up to eight years and within the one third, but not less than 20 percent of the refinancing rate from the budgets of the subjects of the Russian Federation. The need for milk production subsidies is estimated about 1.7 billion rubles.

The resolution also approves added subsidies for farmers in the Far East impacted by last years floods, and the estimated need for subsidies of extended loans to the regions of the Far Eastern Federal District affected by the floods, is about 522 million rubles. <http://mcx.ru/news/news/show/22809.355.htm>

Representatives of Five Countries, including Russia, Discussed Mechanisms to Manage Water Biological Resources in the Caspian Sea

The Deputy Head of the Russian Federal Fishery Agency, Vasily Sokolov, participated in the 5th meeting of representatives of authorized fisheries organizations of Caspian states to discuss the draft agreement on conservation and sustainable use of biological resources of the Caspian Sea. The meeting took place in April 14-17 in Ashkhabad (Turkmenistan).

As a result of the meeting the five countries could make progress in agreeing on many articles and provisions of the document.

In particular, the delegation agreed on a single name for the document - *Agreement on conservation, rational use of marine biological resources of the Caspian Sea and the joint management of their stocks*. In addition, parties nearly agreed on the key article devoted to the authorities of newly created the Intergovernmental Commission on the conservation and rational use of water resources. The parties were also able to reach consensus on the application of measures by the Commission to regulate fishing of joint aquatic biological resources. This is the very mechanism for introducing the moratorium on the catch of sturgeon species.

The parties also agreed on other articles of the document, including the principles of cooperation between the Parties, joint fishing of aquatic biological resources, and the mechanism of creation of the Intergovernmental Commission. In the next months the parties agreed to finalize the draft agreement and prepare it for signature during the forthcoming 4th Caspian Summit in September 2014 that will take place in Astrakhan, Russia.

<http://www.fish.gov.ru/presscentre/news/Pages/news334.aspx>

Russian Grain Stocks as of April 1, 2014 are 19.4 Million Metric Tons (MMT), 8 percent Higher than on April 1, 2013

The Russian State Statistical Service (Rosstat) has published monthly data on Russia's grain stocks as of April 1, 2014. Russian's total grain stocks are 19.39 MMT, including 10.7 MMT stored in agricultural enterprises (data on stocks at small private farms and individual entrepreneurs is not included in Rosstat monthly updates) and 8.7 MMT of grain stored at elevators, terminals and grain processing enterprises. Compared to April 1, 2013, total stocks are 8 percent higher. As of April 1, 2014, wheat comprises 65 percent of stocks (5.66 MMT), barley and corn 12 percent each (1.05 MMT each), rye – almost 7 percent (0.57 MMT). Stocks of millet, buckwheat, rice, oats and other grains and pulses are 4 percent of Russia's total grain stocks as of April 1, 2014.

http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/enterprise/economy/

Pork Prices Continue to Rise in Russia

Wholesale Pork Prices in Russia Reached 150 rubles (\$4.22) per 1 kg by the end of March 2014, compared to 114 rubles (\$3.35) per 1 kg in January 2014. According to Sergey Yushin, the Head of the National Meat Association, given the 12-15 percent inflation of ruble in the last 2 years, these prices match the previous price peak of 132 rubles per kg in April 2012. Prices began increasing when the Federal Service for Veterinary and Phytosanitary Surveillance (VPSS) suspended imports of pork from the EU in January 2014. In 2013 imports from the EU countries accounted for 60 percent of all Russian pork imports. [Note: Imported pork accounted for 30 percent of the Russian pork market]. Meanwhile,

Russian processors continue buying pork even at high prices, and Russian swine producers consider that increased wholesale pork prices will compensate for their 2013 losses, when feed prices were at their peak due to low grain crop in 2012 and strong competition from imports.

<http://agronews.ru/news/detail/132923/>

European Union Files WTO Complaint Against Russian Pork Restrictions

As reported by several media sources, the European Union has filed a complaint at the World Trade Organization in response to Russia's decision to restrict pork exports as a result of the presence of African Swine Fever in certain EU Member States. For additional information, see e.g.,

<http://online.wsj.com/news/articles/SB10001424052702304819004579489501828157092>.

Belarus Introduces Restrictions on Some Latvian Pork

According to BelTA, Belarus has introduced restrictions on the importation of pork from Dagda, Kraslava, and Zilupe, Latvia as a result of classical swine fever detections. For additional information, see <http://news.belta.by/en/news/econom?id=746110>.